

NATIONAL RECOVERY ADMINISTRATION

**AMENDMENT TO
CODE OF FAIR COMPETITION**

FOR THE

HANDKERCHIEF INDUSTRY

AS APPROVED ON OCTOBER 31, 1934



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Approved Code No. 53—Amendment No. 2

**AMENDMENT TO CODE OF FAIR COMPETITION
FOR THE
HANDKERCHIEF INDUSTRY**

As Approved on October 31, 1934

ORDER

**APPROVING AMENDMENT OF CODE OF FAIR COMPETITION FOR THE
HANDKERCHIEF INDUSTRY**

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for approval of amendments to the Code of Fair Competition for the Handkerchief Industry, and hearings having been duly held thereon and the annexed report on said amendments containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, the National Industrial Recovery Board, pursuant to authority vested in it by Executive Orders of the President, including Executive Order No. 6859, and otherwise; does hereby incorporate, by reference, said annexed report and does find that said amendments and the Code as constituted after being amended comply in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act, and does hereby order that said amendments be and they are hereby approved, and that the previous approval of said Code is hereby amended to include an approval of said Code in its entirety as amended; and

ORDERS, FURTHER, that there shall be created forthwith a Special Commission composed of three members, one of whom shall be nominated by the Labor Advisory Board of the National Recovery Administration, one by the Division Administrator of the Textiles Division of the National Recovery Administration, and one by the Code Authority for the Handkerchief Industry. Said Commission shall study and investigate the production of handkerchiefs by means of hand sewing and hand embellishment in the home, and shall submit to the National Industrial Recovery Board, within forty (40) days from the date hereof, a report containing findings with recommendations for minimum piece work and/or hourly rates for hand sewing and hand embellishment in the home, which recommendations, upon the approval of the National Industrial Recovery Board, shall become effective as part of this Code. Pending the report of said

Commission and the approval of any recommendations thereof by the National Industrial Recovery Board, the provisions of Section 8 (a) of Article IV, of said Code, as amended, shall be stayed, insofar as the provisions of said Section may apply to hand sewing and hand embellishment in the home.

NATIONAL INDUSTRIAL RECOVERY BOARD,
By G. A. LYNCH, *Administrative Officer.*

Approval recommended:

PRENTISS L. COONLEY,
Acting Division Administrator.

WASHINGTON, D. C.,
October 31, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: An application has been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act for certain amendments to the Code of Fair Competition for the Handkerchief Industry, and Hearings were conducted on said proposed amendments in Washington on April 18, 1934.

The original Code of Fair Competition for the Handkerchief Industry was approved October 9, 1933. The proposed amendments are the result of close observation of the Code in actual operation. Generally speaking, the amendments constitute no considerable modification of the provisions of the original Code; they seek merely to eliminate certain inequalities, to close up certain loopholes which have become apparent, to assist in enforcement, and to facilitate administration. Such additions to the original Code as are made herein involve, primarily, trade practice provisions, which, in practically every case, were referred to in the original Code as subjects upon which the Code Authority was to study and make recommendations. The primary object of this set of amendments is to consolidate the gains achieved by the original Code and to go a little further toward placing competition in this Industry on a sound and rational basis.

The Deputy Administrator in his final report to the National Industrial Recovery Board on said amendments to said Code having found as herein set forth and on the basis of all the proceedings in this matter:

The National Industrial Recovery Board finds that:

(a) The amendments to said Code and said Code as amended are well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including the removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; and will provide for the general welfare by promoting the organization of Industry for the purpose of cooperative action among trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanction and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) The Code as amended complies in all respects with the pertinent provisions of said Title of said Act, including but without limitations Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof.

(c) The Handkerchief Industry Association, Inc. was and is an industrial association truly representative of the aforesaid Industry and that said association imposed and imposes no inequitable restrictions on admission to membership therein and has applied for and consents to this amendment.

(d) The amendments and the Code as amended are not designed to and will not permit monopolies or monopolistic practices.

(e) The amendments and the Code as amended are not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said amendment.

For The National Industrial Recovery Board:

G. A. LYNCH,
Administrative Officer.

OCTOBER 31, 1934.

AMENDMENT TO CODE OF FAIR COMPETITION FOR THE HANDKERCHIEF INDUSTRY

Article II, Section 1 is amended by deleting the present section and substituting therefor the following:

1. The term "Industry" as used herein means and includes the manufacture and/or production of handkerchiefs, in whole or in part, by hand or machine, including embellishing and/or finishing by hand or by machine, and the sale thereof within the confines of the Continental United States by any manufacturer, producer or importer or by any firm, corporation or any other form of enterprise totally or partly owned or directly or indirectly controlled by any manufacturer, producer or importer of handkerchiefs.

The term shall not include, however, the embellishing of handkerchiefs by Schiffli embroidery machines, so-called "handloom" machines and so-called "hand-embroidery" machines, nor shall it include the manufacture in whole or in part of handkerchiefs in Puerto Rico. The term "Industry" as used herein shall, however, mean and include the sale within the Continental United States of handkerchiefs manufactured in whole or in part in Puerto Rico or elsewhere outside the confines of the Continental United States.

Article II, Section 2 is amended by deleting the present section and substituting therefor the following:

2. The term "member of the industry" as used herein shall include:

(a) Handkerchief manufacturers who own or operate their plants and whose production is sold, in whole or in part, directly by them or through salesmen, agents, or representatives, to the wholesale or retail trades;

(b) Handkerchief manufacturers owning plants or operating plants exclusively on a contract basis for others, in whole or in part engaged in the production or finishing of handkerchiefs.

(c) Those who purchase materials and have same fabricated into handkerchiefs, plain or embellished, by contractors, agents, sub-agents, or individuals within the confines of the United States or its insular possessions or territories;

(d) Those engaged in wholesale distribution who further the manufacture of handkerchiefs by any of the following manufacturing processes, but without limitation: cutting, stitching, ironing, folding, pressing, tying, packaging, boxing, embellishing, or otherwise finishing.

(e) Those engaged in the Handkerchief Industry under more than one of the above classifications, or otherwise engaged exclusively or in part as employers or on their own behalf.

Add a new Section 9 to Article III:

9. No employee shall work or be permitted to work in any factory on any Saturday or Sunday except such employees for whom specific provision is made in this Section and in Sections 6 and 7 of this Article. However, for the sole purpose of dampening handkerchiefs in order that work may be ready for the ironing crew the following Monday morning, not more than four (4) employees in any one (1) plant shall be permitted to work on Saturday. No such employees shall be permitted to work in any case in excess of forty (40) hours in any one (1) week, including the hours that have been worked by such employee on the Saturday of said week. In any week in which a legal or religious holiday occurs the Code Authority may permit work to be done on a Saturday of such week.

Add a new Section 10 to Article III:

Except as herein provided no work shall be done in any factory except between the hours of 8 A. M. and 12 noon and between the hours of 1 P. M. and 5 P. M. In the event, however, that all or a majority of factories in any particular city or area request a change from the standard hours herein above set forth, the Code Authority, subject to the disapproval of the National Industrial Recovery Board, may modify the standard hours for such city or area. In no case shall the lunch period be less than one hour and in no case shall such standard hours exceed 8 hours per day.

Amend Article IV, Section 1 by deleting the present Section and substituting therefor the following:

1. Except as hereinafter provided, no employee in any section of the United States other than the Southern Section as defined in Section 5 of Article II, of this Code, shall be paid at less than the rate of thirteen (\$13.00) dollars per week of forty (40) hours nor shall any employee engaged in the Southern Section of the United States be paid at less than the rate of twelve (\$12.00) dollars per week of forty (40) hours.

No member of the industry shall make any deduction from the wages of any employee because of spoilage or because of the infraction of any rule where the effect of such deduction would be to reduce the net weekly wage of any such employee to less than the minimum wages provided herein.

Each member of the industry shall maintain accurate payroll records (including records of hours worked) and shall submit reports based thereon at four-weekly intervals to the Confidential Agency.

Amend Article IV, Section 3 by deleting the present section and substituting therefor the following:

3. Each member of the industry shall file with the Confidential Agency of the Code Authority duly certified schedules of rates of pay for piecework production for each type of standard operation in force in his plant (including homework, if any and where permissible), and shall advise said Agency of any change or alteration which may at any time be made in such schedules. Said Confidential Agency shall report to the Code Authority, under key numbers, all such schedules, in order that the Code Authority may be kept informed as to the observance or nonobservance of this Code. Unless

ordered by the National Industrial Recovery Board, said Confidential Agency shall in no case disclose the name of anyone to whom any key number may have reference.

Amend Article IV, Section 7 by deleting the present Section and substituting therefor the following:

7. A person whose earning capacity is limited because of age, physical or mental handicap, or other infirmity, may be employed on light work at a wage below the minimum established by this Code, if the employer obtains from the State Authority designated by the United States Department of Labor, a certificate authorizing such person's employment at such wages and for such hours as shall be stated in the certificate. Such Authority shall be guided by the instructions of the United States Department of Labor in issuing certificates to such person. Each employer shall file monthly, with the Code Authority a list of all such persons employed by him, showing the wages paid to, and the maximum hours of work for such employee.

Amend Article IV, Section 8 by deleting the present Section and substituting therefor the following:

8. (a) Except as hereinafter provided, no member of the industry shall manufacture or finish or cause to be manufactured or finished any handkerchief by means of home labor, except that handkerchiefs made entirely by hand may be manufactured at home.¹

(b) Anything to the contrary herein notwithstanding, a person may be permitted to engage in homework at the same rate of wages as is paid for the same type of work performed in the factory or other regular place of business if a home-worker's certificate is obtained from the State Authority or other officer designated by the United States Department of Labor, such certificate to be granted in accordance with instructions issued by the United States Department of Labor, *provided*

(1) Such person is physically incapacitated for work in a factory or other regular place of business and is free from any contagious disease; or

(2) Such person is unable to leave home because his or her services are absolutely essential for attendance on a person who is bedridden or an invalid and both such persons are free from any contagious disease, or because of the necessity of caring for minor children or dependents unable to leave home.

Any employer engaging such a person shall keep such certificate on file and shall file with the Code Authority the name and address of each worker so certified.

Delete Article IV, Section 9 in its entirety. (The present Article IV, Section 10 now becomes Article IV, Section 9.)

Amend Article V, Section 1 by deleting the present Section and substituting therefor the following:

1. No person under sixteen (16) years of age shall be employed in the Industry. In the event of a claim of alleged violation of this

¹ See paragraph 3 of order approving this Amendment,

section, an employer shall be deemed to have complied with the provisions of this section if he shall have on file and make available for inspection by the Confidential Agency a certificate of age issued by the duly authorized department of the State in which the employer operates, showing the age of the employee at the time of entering such employment to be no less than the age required by this section.

Amend Article VI, Section I by deleting the present Section and substituting therefor the following:

To further effectuate the purposes of the Act, a Code Authority is hereby constituted to cooperate with the National Industrial Recovery Board in the Administration of the Code. Said Code Authority shall consist of not more than thirteen (13) members to be elected in the manner hereinafter set forth:

(a) Nine (9) members and two (2) alternates shall be appointed by the Board of Directors of the Handkerchief Industry Association, Inc.

(b) One (1) member shall be appointed by the National Industrial Recovery Board on the nomination of the Labor Advisory Board of the National Recovery Administration.

(c) In addition to the foregoing, the National Industrial Recovery Board may appoint not more than three (3) members without vote to represent the National Industrial Recovery Board and/or such groups or interests as it may designate.

Amend Article VI, Section 4 by deleting the present Section and substituting therefor the following:

4. If the National Industrial Recovery Board shall at any time determine that any action of the Code Authority or any agency thereof may be unfair or unjust or contrary to the public interest, the National Industrial Recovery Board may require that such action be suspended to afford an opportunity for investigation of the merits of each action and further consideration by the Code Authority or agency pending final action which shall not be effective unless the National Industrial Recovery Board approves or unless it shall fail to disapprove after thirty (30) days' notice to it of intention to proceed with such action in its original or modified form.

Amend Article VI, Section 5 by deleting the present Section and substituting therefor the following:

Subject to such rules and regulations as may be issued by the National Industrial Recovery Board, the Code Authority shall have the following powers and duties, in addition to those authorized by other provisions of the Code.

(a) To incorporate itself, the Code Authority may incorporate under the laws of any State of the United States or of the District of Columbia, such corporation to be not for profit and to be known as "The Handkerchief Industry Code Authority"; provided that the powers, duties, objects and purposes of the said corporation, shall, to the satisfaction of the National Industrial Recovery Board, be limited to the powers, duties, objects and purposes of the Code Authority as provided in the Code; provided further, that the Code Authority shall submit to the National Industrial Recovery Board, for its approval, its proposed Certificate of Incorporation and proposed by-laws, and no amendment of either shall be made without

the like prior approval of the National Industrial Recovery Board. If at any time, the National Industrial Recovery Board shall determine that the corporate status accrued by the Code Authority is interfering with the proper exercise of its powers and duties under this Code, or with the effectuation of the policies or purposes of the Act, it may, after such notice and hearing as it may deem necessary, require an appropriate modification of the structure of the Corporation (if consistent with the law of the State of Incorporation), the substitution of a corporation created under the laws of another State in the same manner as the existing Code Authority, the substitution of a non-corporate Code Authority truly representative of the Industry or such other actions as it may deem expedient.

(b) To elect officers and to assign to them such duties as it may consider advisable, to set up rules for its own procedure, and to provide for its continuance as the administrative agency of this Code in accordance with the terms of the Act and the principles herein set forth.

(c) To adopt by-laws, and rules and regulations for its procedure and for the administration and enforcement of this Code, and to submit the same to the National Industrial Recovery Board for its approval, together with true copies of any amendments or additions when made thereto, and minutes of meetings when held, and such other information as to its activities as the National Industrial Recovery Board may deem necessary to effectuate the purposes of the Act.

(d) To insure the execution of the provisions of this Code and to provide for the Compliance of the Industry with the provisions of the Act.

(e) To select a Confidential Agency. The Agency shall in no way be engaged in the industry or connected with any member thereof. The Code Authority shall furnish said Agency with such credentials as are necessary to facilitate its operations.

The Confidential Agency shall obtain from all members of the Industry reports of such character and in such form as is permitted under this Code and under the Act. All individual reports shall be held as secret and confidential between the Agency and the reporting members, except as hereinafter provided.

Each member of the industry shall maintain accurate and complete records of its transactions wherever such records may be required under any of the provisions of this Code, and shall furnish accurate reports based upon such records concerning any of such activities when required by the Code Authority or the National Industrial Recovery Board. If the Code Authority or the National Industrial Recovery Board shall determine that substantial doubt exists as to the accuracy of any such report, so much of the pertinent books, records, and papers of such member as may be required for the verification of such report may be examined by an impartial agency agreed upon between the Code Authority and such member, or, in the absence of agreement, appointed by the National Industrial Recovery Board. In no case shall the facts disclosed by such examination be made available in identifiable form to any competitor, whether on the Code Authority or otherwise, or be given any other publication, except such as may be required for the proper administration and enforcement of the provisions of this Code.

In addition to information required to be submitted to the Code Authority, members of the industry shall furnish such statistical information as the National Industrial Recovery Board may deem necessary for the purposes recited in Section 3-A of the Act, to such Federal and State Agencies as it may designate; provided that nothing in this Code shall relieve any member of the industry of any obligations to furnish reports to any government agency.

(f) To secure from the Confidential Agency consolidated reports in respect to all matters pertinent to this Code.

(g) To submit reports either directly to the National Industrial Recovery Board, (or through the Confidential Agency to it, if the reports be of a secret or confidential nature), in such form and at such time as it may require, in order that the President may be kept informed with respect to the observance or non-observance of the Code and of the Act.

(h) To direct the Confidential Agency to make surveys and investigations, compile reports, collect statistics in such manner and under such regulations as the Code Authority may prescribe, subject to disapproval of the National Industrial Recovery Board.

(i) To create, subject to the approval of the National Industrial Recovery Board, a Trade Practice Complaints Committee which shall investigate all alleged violations of this Code other than alleged labor violations, and act upon the results thereof, and, if the findings justify, to transmit said findings to the National Industrial Recovery Board and to any other proper Governmental agency.

(j) To use such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for herein, provided that nothing herein shall relieve the Code Authority of its duties or responsibilities under this Code and that such trade associations and agencies shall at all times be subject to and comply with the provisions hereof.

(k) To make recommendations to the National Industrial Recovery Board for the coordination of the administration of this Code with such other codes, if any, as may be related to or affect members of the industry, or any subdivision thereof.

(l) It being found necessary, in order to support the administration of this Code and to maintain the standards of fair competition established by this Code and to effectuate the policy of the Act, the Code Authority is authorized: (1) To incur such reasonable obligations as are necessary and proper for the foregoing purposes and to meet such obligations out of funds which may be raised as hereinafter provided and which shall be held in trust for the purposes of the Code; (2) To submit to the National Industrial Recovery Board for its approval, subject to such notice and opportunity to be heard as it may deem necessary, (a) an itemized budget of its estimated expenses for the foregoing purposes, and (b) an equitable basis upon which the funds necessary to support such budget shall be contributed by members of the industry; and (3) After such budget and basis of contribution have been approved by the National Industrial Recovery Board, to determine and obtain equitable contribution as above set forth by all such members of the industry, and to that end, if necessary, to institute legal proceedings therefor in its own name.

Each member of the industry shall pay his or its equitable contribution to the expenses of the maintenance of the Code Authority, determined as hereinabove provided, and subject to rules and regulations pertaining thereto issued by the National Industrial Recovery Board. Only members of the industry complying with the Code and contributing to the expenses of its administration as hereinabove provided (unless duly exempted from making such contributions), shall be entitled to participate in the selection of members of the Code Authority or to receive the benefits of any of its voluntary activities, or to make use of any emblem or insignia of the National Recovery Administration.

The Code Authority shall neither incur nor pay any obligations substantially in excess of the amount thereof as estimated in its approved budget and shall in no event exceed the total amount contained in the approved budget, except upon approval of the National Industrial Recovery Board; and no subsequent budget shall contain any deficiency item for expenditures in excess of prior budget estimates, except those which the National Industrial Recovery Board shall have so approved.

(m) To cause to be formulated methods of cost finding and accounting capable of use by all members of the industry, and to submit such methods to the National Industrial Recovery Board for review. If approved by the National Industrial Recovery Board, full information concerning such methods shall be made available to all members of the industry. Thereafter, each member of the industry shall utilize such methods to the extent found practicable. Nothing herein contained shall be construed to permit the Code Authority, any agent thereof, or any member of the industry to suggest uniform additions, percentages or differentials or other uniform items of cost which are designed to bring about arbitrary uniformity of costs or prices.

(n) To make complaint to the President on behalf of the Industry, in accordance with the provisions of Section 3 (e) of the Act, whenever any article is being imported into the United States in substantial quantities or increasing ratio to domestic production of any competitive article or articles and on such terms or under such conditions as to render ineffective or seriously to endanger the maintenance of this Code, and for the purpose of making such complaint, to secure from all members of the industry, through the Confidential Agency, all information necessary to support such complaint.

(o) To establish or designate, subject to the approval of the National Industrial Recovery Board, such agencies on planning and fair practice as may be necessary, which agencies shall cooperate with the Code Authority in developing fair trade practices and industrial planning, including the regularization and stabilization of employment for the industry.

(p) To appoint a Trade Practice Committee which shall meet with the Trade Practice Committees appointed under such other codes as may be related to the industry for the purpose of formulating fair trade practices to govern the relationships between employers under this Code and employers under such other Codes to the end that such fair trade practices may be proposed to the National Industrial Recovery Board as amendments to this Code

and to such other codes, and to issue such further rules and regulations as may be necessary to establish such further fair trade practices, as may be approved by the National Industrial Recovery Board.

(q) To initiate, consider, and make recommendations for the modification or amendment of this Code, which modifications or amendments shall become effective as part hereof upon approval by the National Industrial Recovery Board after such notice as it may specify.

(r) To provide appropriate facilities for arbitration, and, subject to the approval of the National Industrial Recovery Board, to prescribe rules of procedure and rules to effect compliance with awards and determinations.

(s) In order to assist in making effective the reports from the industry and in eliminating unfair competition, the Code Authority may appoint a committee so constituted as to give consumer and governmental representation satisfactory to the National Industrial Recovery Board to make a study with a view to the establishment of classifications and standards of quality and size of staple products of the industry wherever such standards are deemed feasible. The findings and recommendations of this committee shall be submitted to the National Industrial Recovery Board, and after such hearings and investigations as it may designate and upon approval by it shall be made a part of this Code and shall be binding upon every member of the industry.

Amend Article VI, Section 6 by deleting the present Section and substituting therefor the following:

6. Nothing contained in this Code shall constitute the members of the Code Authority partners for any purpose. Nor shall any member of the Code Authority be liable in any manner to anyone for any act of any other member, officer, agent, or employee of the Code Authority. Nor shall any member of the Code Authority be liable to anyone for any act or omission to act under this Code, except for his own willful malfeasance or non-feasance.

Amend Article VI by adding a new Section 7 as follows:

7. There shall be established an Industrial Relations Committee for the Industry, which shall consist of an equal number of representatives of employers and employees and an impartial chairman. The National Industrial Recovery Board shall appoint such impartial chairman upon the failure of the committee to select one by agreement. If no truly representative labor organization exists, the employee members of such board may be nominated by the Labor Advisory Board of the N. R. A. and appointed by the National Industrial Recovery Board. The employer representatives shall be chosen by the Code Authority. Such committee shall deal with complaints relating to labor in accordance with rules and regulations issued by the National Industrial Recovery Board. The Industrial Relations Committee may establish such divisional, regional, and local industrial adjustment agencies as it may deem desirable, each of which shall be constituted in like manner as the Industrial Relations Committee.

Delete Article VII In Its Entirety. (The Present Article VIII Now Becomes Article VII and the Present Article IX Becomes Article VIII.)

Amend Article VII, Section 1 By Deleting the Present Section and Substituting Therefor the Following:

1. No member of the Industry shall directly or indirectly give, permit to be given, or offer to give, anything of value for the purpose of influencing or rewarding the action of any employee, agent or representative of another in relation to the business of the employer of such employee, the principal of such agent, or the represented party, without the knowledge of such employer, principal, or party. This provision shall not be construed to prohibit free and general distribution of articles commonly used for advertising except so far as such articles are actually used for commercial bribery as hereinabove defined.

Amend Article VII, Section 2 By Deleting the Present Section and Substituting Therefor the Following:

2. No member of the industry shall make or allow to be made any payments or allowance of rebates, refunds, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or extend to certain purchasers any special services or privileges not extended to all purchasers on like terms and conditions. No member of the Industry shall allow buying commissions, rebates, extra discounts, or other concessions to purchasing agents or to purchasing agencies.

Amend Article VII, Section 4 By Deleting The Present Section and Substituting Therefor The Following:

4. No stock protection shall be given involving price adjustment on merchandise delivered and no price guaranty shall be given against decline on orders booked for future delivery.

Amend Article VII, Section 5 By Deleting The Present Section and Substituting Therefor The Following:

5. No member of the Industry shall accept the return of merchandise sold to a customer in good faith and shipped in accordance with specifications, order, or contract. In no event shall any merchandise be accepted for return, if retained by a customer for more than ten (10) days after receipt of the merchandise, unless the said merchandise is returned because of hidden defects effecting the salability of the merchandise.

Amend Article VII By Adding A New Section 21, As Follows:

21. No member of the Industry shall deviate from the price fixed by a contract. All Contracts and/or orders shall be binding in accordance with the provisions thereof.

Amend Article VII By Adding A New Section 22, As Follows:

22. No member of the Industry shall accept the attempted cancellation of a contract, where the effect of such cancellation would be to circumvent any provision of this Code.

Amend Article VII By Adding A New Section 23, As Follows:

23. No member of the Industry shall ship merchandise on consignment or memorandum.

Amend Article VII By Adding A New Section 24, As Follows:

24. No member of the Industry shall procure or attempt to procure, any information concerning the business of another member which is properly regarded by such member as a trade secret or confidential within its organization (except on consent of such member).

Amend Article VII By Adding A New Section 25, As follows:

25. No member of the Industry shall pack handkerchiefs not of first quality in sealed cartons or envelopes or in any other sealed containers so that the whole or part of the handkerchief is not easily accessible for examination unless said individual containers are clearly marked "seconds" or otherwise appropriately designated as containing merchandise other than "firsts".

Amend Article VII, By Adding A New Section 26, As Follows:

26. (a) When the basic fabric from which a handkerchief is manufactured, embodies in either the warp or the filling, or both, more than one kind of yarn, no matter from what fibre or filaments the yarn may be spun, the handkerchief manufactured from such fabric shall not be labelled or by any form of phraseology be designated or referred to by the name of any one only of the component fibres or filaments, unless such component constitutes by thread count 80% of the fabric, and provided further, that unless the fabric is genuinely 100% of any fibre or filament designation (linen, cotton, silk, rayon, etc.) exclusive of regular selvage, except as hereinafter provided for fancy woven materials, the actual percentage by thread count of any component of at least 60% and which is less than 100%, shall be prominently indicated on any label or ticket identifying the handkerchiefs manufactured from such fabric.

In the case of fancy woven materials, in which the warp and the filling of the plain weave are made from yarns of the same fibre, whether the fancy elements are plain corded or fancy borders, or all-over effects, such as checks or plaids, and are made of yarns of other fibres or filaments, only the true fabric name of the plain weave may be designated, if only one fibre element is specified on the label.

The above prohibitions shall not apply to merchandise delivered on or before December 31st, 1934, provided that Sections 18 and 19 of this Article are not violated.

(b) The elements used for appliques, embroidered embellishments, lace corners, lace edges, or any material attached in any way to complete the handkerchiefs, shall not be considered as affecting the true designation of the basic materials as herein specified.

(c) No member of the Industry shall use labels, the wording of which emphasizes in any manner a minor element in the manufacture, construction or finish of the handkerchief fabric, or in the processing or embellishment of the handkerchief itself, which descriptive wording may have a tendency to induce a purchaser to believe that the said wording applies to the handkerchief as a whole or to the basic fabric referred to in paragraph marked "a" of this Section.

(d) No member of the Industry shall so label handkerchiefs, specially or otherwise, at the request of any purchaser or purchasing agency as to in any way conflict with the provisions of this Section.

Amend Article VII By Adding A New Section 27, As Follows:

27. No member of the Industry shall, in sampling fancy white satin strips or prints, or white cords, or colored cords, or colored woven borders, insert samples in sample folders so as to conceal from the prospective customers the fact that one side of the handkerchief is raw selvage, unstitched, unless a conspicuous label or marking of some kind is placed on the handkerchief indicating that only three sides of the handkerchief are hemmed.

Amend Article VII By Adding A New Section 28, as Follows:

28. The Code Authority shall create, subject to the approval of the National Industrial Recovery Board, appropriate regulations and facilities for the registration of new or original styles, designs or patterns of handkerchiefs. Upon the creation of such regulations and facilities and upon the approval thereof by the National Industrial Recovery Board, no member of the Industry other than the registering member shall manufacture or cause to be manufactured any handkerchiefs incorporating any such new or original styles, designs, or patterns as may be registered as hereinabove provided, except upon the written consent of the registering member.

Amend Article VIII, Section 1 By Deleting The Present Sections and Substituting Therefor The Following:

Maximum terms of sale for this Industry shall be—

1. Net cash ten (10) days; or with an equalizing differential in the price, two per cent (2%) ten (10) days—sixty (60) extra; or two and one-half per cent (2½%) ten (10) days—thirty (30) extra; or three per cent (3%) ten (10) days; or C. O. D. three per cent (3%).

The cash discounts as outlined in this Section shall be interpreted as maximum discounts allowed under this Article. Members of the Industry shall be permitted to sell at terms other than those specifically stated in this Article, provided, however, that such terms shall not be more advantageous or more liberal than those terms specified in this Article, and further, that such dating shall not in any case exceed seventy (70) days from date of billing of merchandise to the buyer, and further, that in no case shall the cash discount be in excess of three per cent (3%).

Amend Article VIII, Section 5 By Deleting The Present Section and Substituting Therefor The Following:

5. No member of the Industry shall allow discount if bill is not paid within fifteen (15) days of due date at the office at which the account is due and payable.

Amend Article VIII, Section 9 By Adding To The Present Section The Following:

9. The term "packaged, trade-marked handkerchiefs" as used herein, shall mean and include one (1), two (2), or three (3) handkerchiefs completely encased in a carton or sealed envelope wrap, which carton or wrap bears thereon the trade-mark of the member of the Industry and a suggested retail price.

Amend Article VIII By Adding A New Section 10, As Follows:

10. No member of the Industry shall give any discounts except as provided in this Article whether in the nature of trade discounts or increased cash discounts and whether arrived at by increasing the gross selling price or in any other manner.

Amend Article VIII By Adding A New Section 11, As Follows:

11. The seller shall designate the terms of payment under which his merchandise shall be sold in accordance with Section 1 of this Article.

Amend Article VIII By Adding A New Section 12, As Follows:

12. A member of the Industry may bill merchandise shipped on or after the 25th of the month as of the first of the following month.

Amend Article IX, By Substituting the Present Article IX for the Former Article VIII and Substituting as the Present Article IX, The Following Sections:

ARTICLE IX—NRA LABELS

1. Hereafter, the Code Authority may apply to the National Industrial Recovery Board for grant of the necessary authority and exclusive right to issue and sell NRA labels, or authorized substitutes therefor, to members of the Industry; and, upon the issuance of appropriate orders by the National Industrial Recovery Board, under powers vested in it by Executive Orders of the President, including Executive Order No. 6859 and otherwise, the Code Authority shall have the exclusive right in this Industry to issue and sell said labels or said authorized substitutes to the members of said Industry; and thereafter all merchandise manufactured subject to the provisions of this Code shall bear on the carton containing such merchandise, or in such other place as the Code Authority, subject to review by the National Industrial Recovery Board, may designate, an NRA label, or an authorized substitute therefor, to symbolize to purchasers of said merchandise the conditions under which it has been manufactured.

2. The issuance and sale of said labels, and/or of said authorized substitutes, shall be governed by the following rules and regulations, and such other rules and regulations as may hereafter be issued or approved by the National Industrial Recovery Board:

(a) Each label shall bear a registration number or numbers especially assigned to each member of the industry by the Code Authority, or a serial number, and shall remain attached to all such merchandise when sold to the retail distributor.

(b) Any and all members of the Industry may apply to the Code Authority for a permit to use such NRA label, which permit shall be granted to them only if and so long as they comply with this Code.

(c) For the purpose of ascertaining the right of members of the Industry to the continued use of labels and of protecting purchasers of merchandise bearing such labels and of insuring to each individual member of the Industry that the symbolism of such label will be maintained by virtue of compliance with the provisions of this Code by all members of the Industry using said label, the Code Authority

shall establish rules and regulations and appropriate machinery for the issuance of labels and the inspection, examination and supervision of the practices of members of the Industry.

(d) The charge made for such labels by the Code Authority shall be subject to the approval of the National Industrial Recovery Board.

(e) The application of the provisions of this Article and the rules and regulations governing the issuance and use of said labels shall at all times be subject to rules and regulations issued by the National Industrial Recovery Board.

Amend Article X, Section 10, Deleting the Present Section 10 and Substituting Therefor the Following:

All members of the Industry shall post and keep posted in a conspicuous place accessible to employees complete copies of this Code. In addition to the foregoing complete copies of all labor provisions of this Code together with any necessary interpretations shall be placed in a conspicuous place on each factory floor and in all places of business other than the factory where three or more persons are employed. Such posted copies of the labor provisions of this Code and of the said interpretations shall be in English and/or in any other necessary language or languages.

Amend Article X By Adding A New Section 12, As Follows:

Every employer shall provide for the safety and health of employees during the hours and at the places of their employment. Standards of safety and health shall be submitted by the Code Authority to the National Industrial Recovery Board within three (3) months after the effective date of this amendment.

Approved Code No. 53—Amendment No. 2.
Registry No. 237-1-01.



UNIVERSITY OF FLORIDA



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